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ResMed F3Q09 (Qtr End 3/31/09) Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator Instructions). And your first question will come from the line of David Clair with Piper Jaffray. Please proceed.

David Clair - Piper Jaffray

Yeah. Hey guys, congratulations on a great quarter.

Kieran Gallahue

Thank you.

David Clair - Piper Jaffray

I guess first question for, Brett. I was hoping you could maybe split out currency and mix from the gross margin improvement, and give us the currency impact on EPS for the quarter?

Brett Sandercock

Yeah, I mean if you look to the sequential increases, you see majority would be currency driven, but there's certainly a decent amount of that of the margin improvement is product mix or favorable product mix. Some kind of small improvements with... through manufacturing improvements, but I think most of those improvements will start to manifest themselves in FY '10. But certainly, we had a measurable contribution from both product mix and foreign currency movements or more specifically the falling Australian dollar. If you look... if you want everything clear, it's pretty complex, but you're probably talking in the order of... for instance on the bottom line on currency impact, if you wash it all through.

David Clair - Piper Jaffray

Okay, great. And then I guess for Kieran, you talked about over the next 12 to 15 months we should see some more product on the full generator masks side. Can you give us a little bit more color? Are these just product extensions, brand new products? How should we be thinking about that?

Kieran Gallahue

Yeah. I mean I know it's a bit of a teaser and there's always the desire to get a lot more detail in there. Obviously for competitive reasons, we need to be a bit quiet on that. I can tell you that it's a very

existing product line as... is across flow generators and masks; some of them will be line extensions and some of them will be very different fundamental platforms.

David Clair - Piper Jaffray

Okay. And then sorry, one last one for Brett: I didn't catch the U.S. and OUS flow generating or mask growth rates?

Brett Sandercock

Yeah. For the U.S. flow generators, the increase was 24%.

David Clair - Piper Jaffray

Okay.

Brett Sandercock

And mask and other was 22%.

David Clair - Piper Jaffray

Okay, thank you.

Kieran Gallahue

All right, thanks, David.

Operator

And your next question will come from the line of Joshua Zable with Natixis. Please go ahead.

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